



# NEWS RELEASE

United States Department of Agriculture • Rural Development  
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## **USDA ESTABLISHES A PILOT PROJECT FOR RENEWABLE ENERGY** ***Funding Small Businesses That Generate Energy Production From Cattle Products***

TEMPLE, Texas, May 17, 2004—Agriculture Secretary Ann M. Veneman today announced a new loan guarantee pilot project aimed at developing renewable energy systems from the use of livestock as a raw material.

“This program will provide guaranteed loans for rural small businesses to develop the means to effectively destroy these specified risk materials from cattle while providing a bio-based source of energy,” Veneman said.

In January, USDA expanded the list of specified risk materials prohibited in the food supply as an additional firewall to bovine spongiform encephalopathy (BSE). In addition, the Food and Drug Administration announced that it intends to prohibit specified risk materials in food regulation by the agency.

The maximum amount of total loan guarantees under the pilot program will be \$50 million. USDA anticipates up to three awards will be made. There is no dollar restriction associated with any one award provided the amount requested is within the \$50 million allotted. The amount of the loan guarantee cannot exceed 50 percent of the total project cost.

Applicants must submit their application and one copy to the USDA State Rural Development Office where the proposed project is located or where the borrower is headquartered. The notice of funding availability appears in the May 18 *Federal Register*. All applications must be received by August 16.

USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA's web site at [www.rurdev.usda.gov](http://www.rurdev.usda.gov).

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*USDA Rural Development was created in 1994 and includes Business Programs, Housing Programs, and Utilities Programs. Its mission is to use the resources of USDA to provide an improved quality of life for the nation's rural residents.*

**For more information on USDA Rural Development programs in Texas, check our web site at <http://www.rurdev.usda.gov/tx/>.**